

# *President's Advisory Council on Financial Capability for Young Americans*

## **DRAFT FOR APPROVAL**

### **Summary of Recommendations**

Created by Executive Order 13646, the President's Advisory Council on Financial Capability for Young Americans ("Council") makes recommendations to the President and the Secretary of the Treasury on promoting the financial capability of young Americans, taking into consideration the particular needs of traditionally underserved populations. The recommendations provide opportunities to empower young Americans to achieve greater financial stability and upward economic mobility, which will have positive impacts on our nation as a whole.

### **Aspirational Statement**

- All American children must be equipped with the knowledge and skills necessary to make smart decisions about their finances. This is a basic right that must be integrated throughout children's Pre-K-12 learning experience to assure that all youth in America have the tools necessary to make sound financial decisions that will allow them to pursue their dreams. Whatever their life's aspirations, whether college bound, career ready or thinking entrepreneurially, this knowledge will enable our young people to compete in a global economy and enhance our nation's economy.

### **Engage Communities and Schools**

- Youth job training and employment programs should integrate financial education and provide direct deposit to safe and affordable transactional accounts at mainstream financial institutions. Youth job training and employment programs may also connect young people to child savings account programs, individual development accounts and longer-term savings vehicles, including products like myRA, to help establish a lifelong habit of saving for their futures.

- Community hubs, such as libraries and community colleges, should be better deployed to connect financial capability resources to individuals and educators.
- Technology should be used to help teachers improve their competence and confidence in teaching students about finance, such as by using on-line credentials to encourage innovation.
- The United States should participate in the Programme for International Student Assessment's (PISA) 2015 study of the financial knowledge of 15-year-olds.
- Private sector partnerships with state and local governments should be encouraged in order to facilitate greater adoption of modern, real-time electronic payments solutions and best practices to help young people better manage, move, and control their spending.

### **Inform and Simplify Post-Secondary Education Decision-Making**

- FAFSA (Free Application for Federal Student Aid), should be further simplified, and volunteers and technology should be used to help students complete financial aid forms and receive customized guidance on their post-secondary options.
- Federal student loan repayment options should be more broadly communicated to empower young people to apply and remain enrolled in sustainable repayment plans.
- Governmental agencies should better coordinate to help more students access all available resources to help support them toward completing their post-secondary education.
- Interested students should be able to share their academic information (e.g. test scores and transcripts) with technological tools that can deliver meaningful and customized information about post-secondary options in a trusted, timely, and relevant form.

### **Improve Identity and Credit Protection and Provide Pathways for Saving**

- Identity theft and credit abuse amongst young people should be examined and combatted through the use of consumer protection tools and private and public sector collaboration.
- Child Savings Accounts and policies should be promoted as a means to increase the likelihood of college enrollment.